

Green Bond Report 2025



Contents

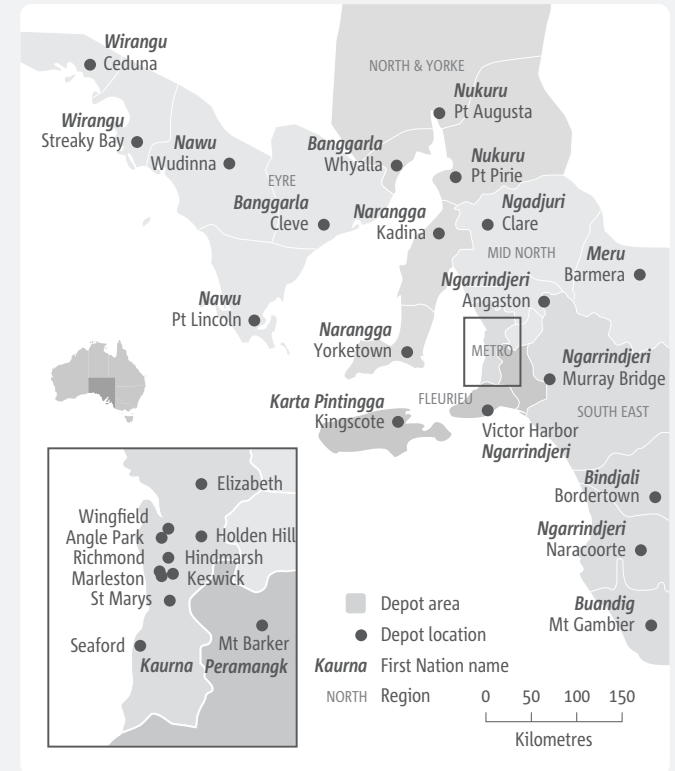
Introduction to SA Power Networks	3
How compliance is assessed, measured and reported	5
Allocation Reporting	7
Eligible Green Asset portfolio	8
Green Financing Instruments portfolio	9
Impact Reporting	10
Adaptation and Resilience	12
Further Information	17



Acknowledgement of Country

In the spirit of reconciliation, SA Power Networks and Enerven acknowledge the multiple Traditional Owners of the lands that host the South Australian electricity network and their connections to land, sea and community. We would also like to pay our respects to Elders past and present and acknowledge that these are living cultures.

The visual centrepiece of our first Reconciliation Action Plan is *Empowering South Australia*, by Presten Warren, an artist and proud Wirangu/Dieri/Kokatha/Mirning man.



Disclaimer

This report contains non exhaustive general information in relation to SA Power Networks and its wholly owned subsidiaries and is subject to change and correction. It has been prepared solely for the use of investors. Whilst care has been taken in the preparation of the report to the extent permitted by law SA Power Networks and its wholly owned subsidiaries make no representation and gives no warranties in relation to the accuracy, completeness or suitability of the information contained in it or the assumptions on which the information is based. Investors should obtain independent advice from appropriate professionals. This report does not constitute an invitation, offer or recommendation for the sale or purchase of securities. Some information is sourced from third parties or measured against third party information. SA Power Networks takes no responsibility for the accuracy, currency or completeness of such third-party information. SA Power Networks means each of CKI/PAI/Spark 1,2,3.

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Introduction to SA Power Networks

SA Power Networks Green Bonds

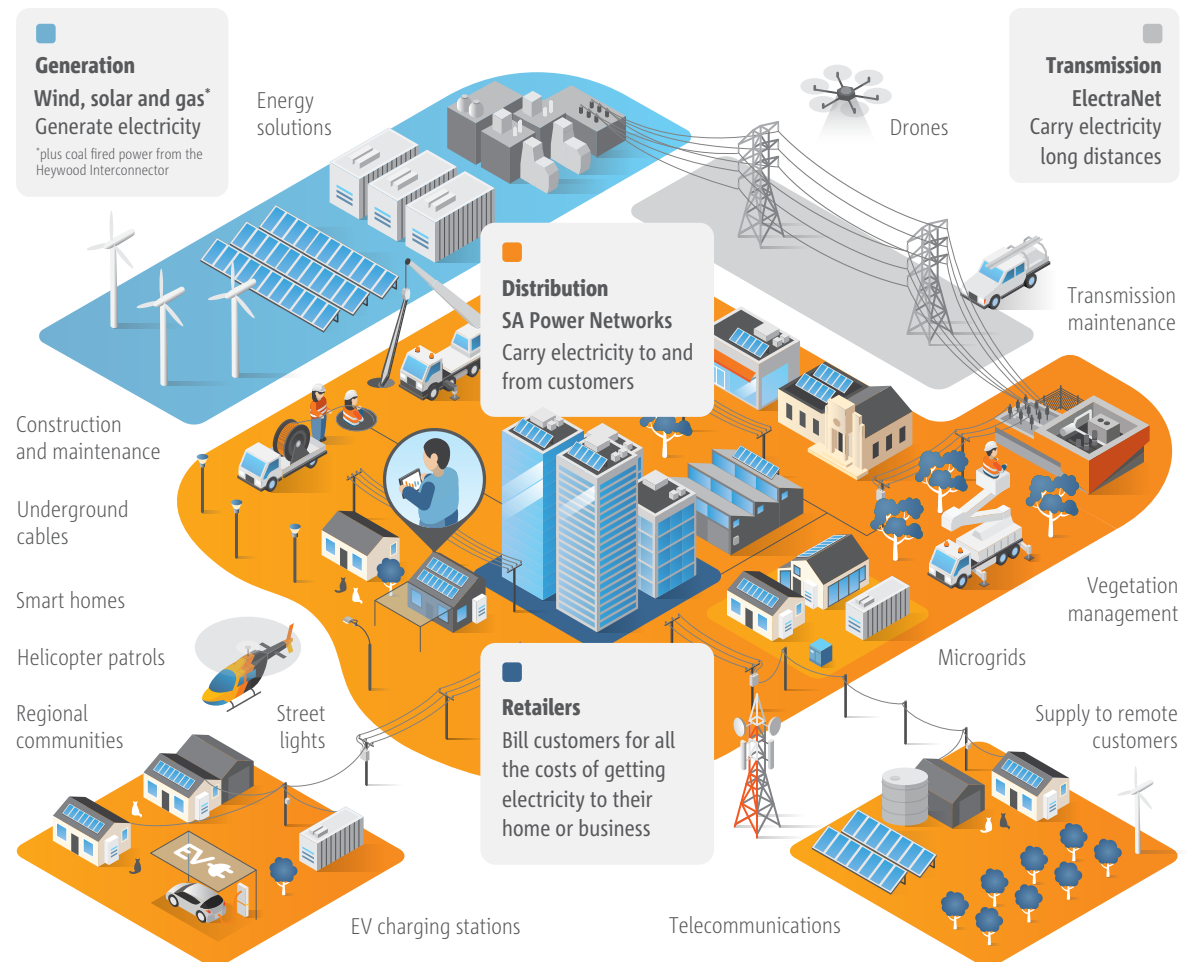
This report provides an update to investors as at 31 December 2024, on the use of proceeds and impact of the SA Power Networks (acting through borrowing entity ETSA Utilities Finance Pty Ltd) Green Bonds. This report should be read in conjunction with the SA Power Networks Sustainable Financing Framework and our 2024 Sustainability Report. As at 31 December 2024, SA Power Networks had on issue two Green Bonds with an aggregate principal amount of 0.495 billion (AUD equivalent). SA Power Networks has issued, and may, from time to time, issue other bonds, notes or debt securities and use their proceeds of issue to finance or refinance Eligible Assets.

SA Power Networks Green Bonds on issue as at 31 December 2024

	2024
Issued	AUD 495 million
Format	Fixed Rate Notes
Maturity	AUD 245 million maturing 3/6/2027 AUD 250 million maturing 3/12/2032
Optional redemption date	No more than 90 days before the maturity date
AUD issuance proceeds	AUD 495 million
ISIN	AU3CB0310100 and AU3CB0310118

Primary electricity distributor in SA	Supplying 930,000 homes and businesses	2,900 employees across 40+ sites	Electricity distributed 9,693GWh in 2024	Network coverage over 178,000km²
Supply South Australia's 1.7 million population	Oldest network assets in the NEM	790 apprenticeships since 2004	415 zone substations 77,000 transformers	Network length around 90,000km

South Australian electricity supply chain and the SA Power Networks value chain



SA Power Networks Overview



The SA Power Networks Group has two key businesses – SA Power Networks, which manages the regulated electricity distribution network serving South Australia, and Enerven, a specialist service provider in the competitive energy and telecommunications sectors.

SA Power Networks is South Australia’s primary electricity distributor. As the owner and operator of South Australia’s electricity distribution system, SA Power Networks holds a unique position in the energy sector. We provide the infrastructure that delivers electricity to homes and businesses and enables customers to access green energy solutions. As such, our network is a critical enabler in South Australia’s transition to a distributed and decarbonised energy future.

SA Power Networks has more than \$5 billion in assets across South Australia on both public and private land. Our services to around 930,000 homes and businesses include maintaining and building a reliable distribution network, responding to outages including those caused by extreme weather, and ensuring community safety from electric shock and bushfire. We are committed to delivering a safe, secure and reliable supply of electricity and running an efficient and sustainable business on behalf of everyone we impact.

SA Power Networks’ approach to sustainability

SA Power Networks’ vision is “Connecting South Australians to a better energy future, today”. Our role extends beyond being an essential service. We acknowledge our impact and influence on the continued prosperity of South Australia. Our sustainability approach reflects this. We work to support and strengthen our customers and communities, collaborate on innovative opportunities with Government and the private sector, empower our workers, and protect the natural environment. We have embraced our role in the energy transition, and strive to support customers’ desire to contribute green energy into the grid from hundreds of thousands of consumer energy resources (CER) such as solar panels, batteries and electric vehicles.

More information about SA Power Networks can be found on our website.

Aligning our financial goals with our sustainability principles

Tackling the climate crisis and playing a role in the energy transition requires a global effort and governments and corporations are increasingly using Green Bonds to raise the significant money required to fund activities.

In 2024, SA Power Networks achieved another milestone on our sustainability journey with the release of our *Sustainable Financing Framework* and receiving pre-issuance certification for the issuance of a Green Bond certified under the Climate Bonds Initiative¹ (CBI) Standard’s ‘Electrical and Grids and Storage’ criteria – the first Australian electricity distribution network to do so. CBI certification provides investors with the comfort that their investment is consistent with the goals of the Paris Climate Agreement.



¹ The Climate Bonds Initiative is an international not-for-profit organisation working to mobilise global capital for climate action.

How compliance is assessed, measured and reported

In assessing compliance with the CBI Standard’s Electrical Grids and Storage Criteria (Criteria), SA Power Networks identifies new generation capacity added to the electrical system over a rolling five-year period, along with a calculation of capacity of new generation below the generation threshold of 100g CO₂e/kWh (measured on a Product Carbon Footprint (PCF) basis) to total new generation capacity.

There are two components SA Power Networks considers as part of achieving the requirements of the Criteria:

1 The Mitigation component

“More than 67% of newly connected generation capacity in the System in which the infrastructure is located is below the generation threshold value of 100g CO₂e/kWh measured on a PCF basis, over a rolling five-year period”

Compliance with the Mitigation component is reviewed at least annually using the “NEM Generation Information” statistics produced by the Australian Energy Market Operator <https://aemo.com.au/energy-systems/electricity/national-electricity-market-nem/nem-forecasting-and-planning/forecasting-and-planning-data/generation-information>.

SA Power Networks determines system eligibility for the mitigation component using the approach detailed in the Methodological Note 2 of the Climate Bond Initiative’s Sector Criteria for Electrical Grids and Storage.

2 The Adaptation & Resilience component

“Has the issuer fulfilled the requirement of the Adaptation and Resilience checklist?”

Compliance with the Adaptation and Resilience component is similarly reviewed at least annually. SA Power Networks assesses the organisation’s assets, projects, operations and management processes against the requirements of the Adaptation and Resilience checklist listed in Appendix 3 of the Criteria. Compliance is reported as part of this report.

Governance

SA Power Networks has a tiered governance system to oversee and manage our approach to ESG issues and actions. This involves our Board, our Sustainability Board Subcommittee, Sustainability Steering Committee, and operational personnel; and utilises existing risk management, corporate, financial, legal and procurement governance systems to ensure a high a standard of compliance. Our robust governance arrangements are designed to consider the risks and opportunities that material environmental and social matters present.

Sustainable Finance is tabled at least annually at the Sustainability Steering Committee and Sustainability Board Subcommittee to:

- 1 Monitor and approve the annual sustainability financing reporting, processes and publication
- 2 Review and recommend any proposed changes to the Sustainability Financing Framework

Confirmation Eligible Green Assets continue to meet the relevant Climate Bond Initiative criteria

Eligible Green Assets include construction, upgrade and operation of the distribution system infrastructure, which is used to transport, store or support electrical grid assets and projects. The distribution system infrastructure has more than 67% of newly connected generation capacity in the system in which the infrastructure is located is below the generation threshold value of 100g CO₂e/kWh measured on a PCF basis over a rolling five-year period.

SA Power Networks measures the eligibility threshold at least annually using Australian Energy Market Operator (AEMO) statistics. The rolling five-year average of new generation capacity connected below the threshold of 100g CO₂e/kWh remains more than 67% of total new generation capacity connected.

Using the most adjacent available data to December 2024 (compiled 24 January 2025), the current percentage is 96.7% illustrated below:

Period	Below 100g CO ₂ e/kWh	Above 100g CO ₂ e/kWh	Total	Percentage
2025 – Rolling five-year average new capacity	11,416.89	392.12	11,809.01	96.7%

Source: AEMO | Generation information

Methodology

The new generation capacity added data is measured over the five-year period from January 2020 to January 2025. SA Power Networks used the most adjacent data produced by AEMO to 31 December 2024 at the time of compiling this report (June 2025). As the SA Power Networks distribution network is connected to the National Electricity Market, to align with the Climate Bond Initiative’s methodology, the amount of generation used in the above calculation captures the National Electricity Market, not the South Australian market alone.

Below 100g CO₂e/kWh

In determining the proportion of new generation capacity that is below 100g CO₂e/kWh, SA Power Networks follows the guidance of the Intergovernmental Panel on Climate Change (IPCC). According to the IPCC², certain energy generation technologies generally fall below the threshold of 100g CO₂e/kWh:

- Solar
- Wind
- Geothermal
- Hydropower

Above 100g CO₂e/kWh

SA Power Networks determines the proportion of new generation capacity that is above 100g CO₂e/kWh from all other generation capacity. Included in the above 100g CO₂e/kWh generation capacity is:

- Coal
- Combined Cycle Gas Turbine (CCGT)
- Open Cycle Gas Turbine (OCGT)
- Gas
- Biomass

Battery storage is not classified as generation capacity and it is excluded from the calculations.



2 IPCC Working Group III – Mitigation of Climate Change, Annex II Metrics and Methodology – A.II.9.3 (Lifecycle greenhouse gas emissions) (PDF). Pp. 1306-1308

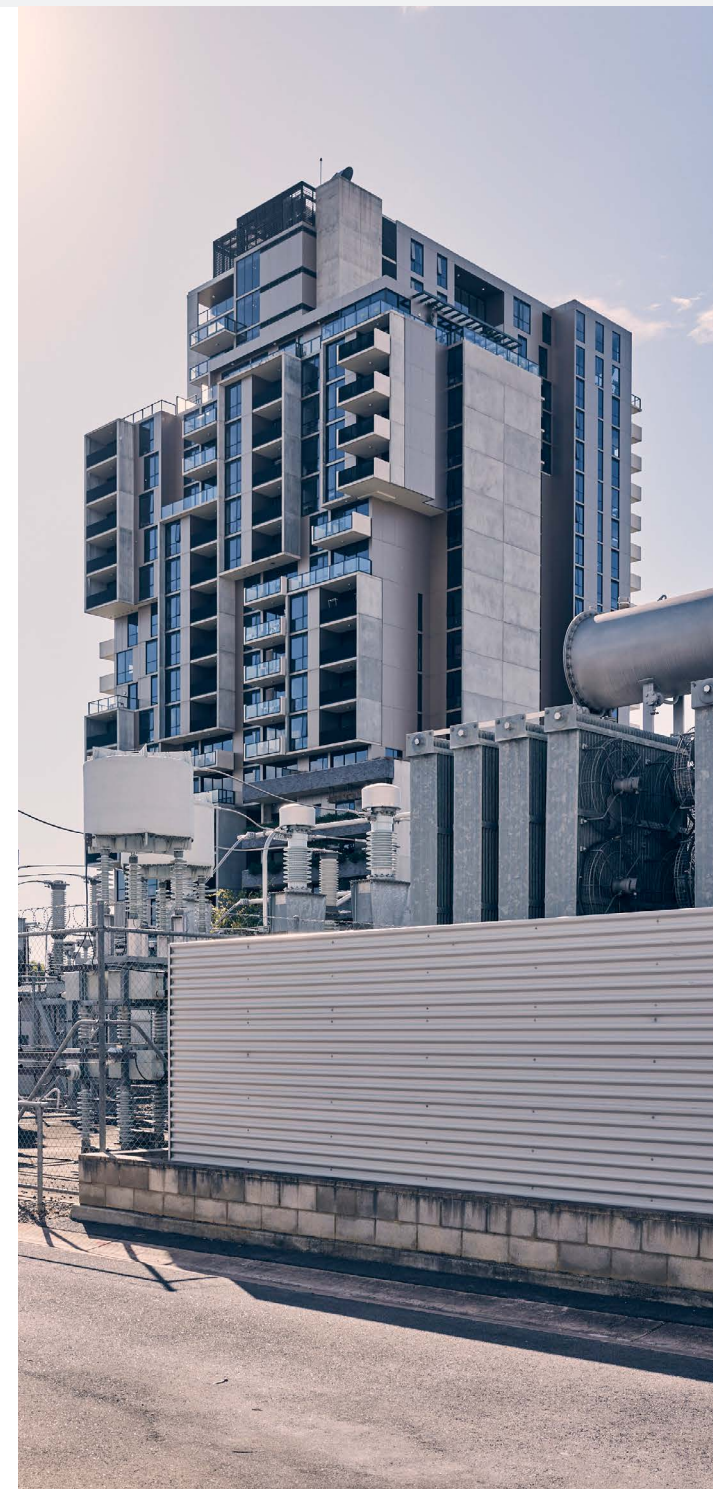
Allocation Reporting

SA Power Networks' Allocation Report as at 31 December 2024






Use of Proceeds Allocation Table

Eligible Green Assets Portfolio	Eligible Green Assets (AUD\$m)	Green Financing Instruments	Amount of Green Financing (AUD\$m)
Energy Distribution Assets	5,187	Green Financing Instruments applied to the Eligible Green Asset Pool	495
		Green Financing Instruments not yet applied to the Eligible Green Asset Pool	0
Total Eligible Green Assets	5,187	Total Green Financing Instruments	495
Excess Eligible Green Assets			4692
Percentage of Eligible Green Asset Portfolio Allocated to Green Financing Instruments			9.5%
Percentage of Net Proceeds of Green Financing Instruments Allocated to the Eligible Green Assets Portfolio			100%
Percentage of Eligible Green Asset Portfolio Unallocated			90.5%

SA Power Networks maintains registers of Eligible Green Assets and Green Financing Instruments within core financial systems. All certified Green Financing Instruments are included within the Green Financing Instrument portfolio and allocated against Eligible Green Assets.



Eligible Green Asset portfolio

CBI Electrical Grids and Storage Criteria			Alignment with UN Sustainable Development Goals	Asset Book Value (AUD\$m) 31 December 2024
Asset or activity class	Eligibility Criteria	Asset Specifics		
Transmission and distribution	<p>Construction, upgrade, and operation of distribution system infrastructure, which is used to transport, store or support electrical grids assets and projects which satisfy the following criteria:</p> <ul style="list-style-type: none"> The average System grid emissions factor in which the infrastructure is located below the threshold value of 100gCO₂e/kWh measured on a PCF basis, over a rolling five-year average period, or More than 67% of newly connected generation capacity in the System in which the infrastructure is located below the generation threshold value of 100gCO₂e/kWh measured on a PCF basis, over a rolling five-year average period. 	<p>Construction, upgrade, and operation of:</p> <ul style="list-style-type: none"> Distribution assets (Stobie poles, powerlines and underground cables, street transformers and streetlights) Consumer energy resources (including residential and commercial solar and wind generation, storage batteries, Virtual Power Plants (VPP) and electric vehicles (EVs)). Distribution System Operator capabilities Smart metering and network management LED lighting upgrades Energy storage solutions (such as batteries, VPPs, EVs, large embedded generators and microgrids) Innovative tariffs Electrification of operational fleet vehicles Supporting infrastructure Bushfire risk management Network construction and maintenance Crisis management systems Wildlife harm mitigation initiatives Technology development to manage power outages caused by wildlife interactions Recycling, reuse and resource recovery systems Circular economy opportunities Sourcing and encouraging the use of environmentally-beneficial products and services 	<p>7 AFFORDABLE AND CLEAN ENERGY</p>  <p>9 INDUSTRY, INNOVATION AND INFRASTRUCTURE</p>  <p>11 SUSTAINABLE CITIES AND COMMUNITIES</p>  <p>12 RESPONSIBLE CONSUMPTION AND PRODUCTION</p>  <p>13 CLIMATE ACTION</p> 	5,187

Any supporting infrastructure must be wholly dedicated to the eligible asset. To align with the Climate Bonds sector criteria, this means that the supporting infrastructure is used exclusively for the eligible asset demonstrated to meet the Eligibility Criteria. SA Power Networks hold a Electricity Distribution Licence issued by the Essential Services Commission of South Australia (dated 11 October 1999). As Licensee, SA Power Networks must grants rights to use, or have access to, its distribution network (on non-discriminatory terms):

- a) to other electricity entities for the distribution of electricity by the other electricity entities; and
- b) to enable the other electricity entities and customers to obtain electricity from the distribution network.

Green Financing Instruments portfolio

SA Power Networks' Green Financing Instruments are issued under SA Power Networks' *Sustainability Financing Framework*, aligned with Climate Bond Standard and have been certified under the Criteria.

The proceeds of SA Power Networks' Green Financing instruments are applied to funding Eligible Green Assets which have an impact on reducing system generation emissions and enabling electrification and new renewable generation.

SA Power Networks' distribution assets enable existing highly renewable electrical generation system and new renewable generation connections, addresses climate resilience in the face of climate change risks and do not compromise the climate resilience of the surrounding system.

SA Power Networks published its *Sustainability Financing Framework* in April 2024 following programmatic certification from the Climate Bond Initiative. SA Power Networks has issued two Use of Proceeds Green Bonds to refinance Eligible Green Assets in the Eligible Green Assets Portfolio.

Green Financing Instruments Register as at 31 December 2024

	ISIN	Maturity Date	Currency	Currency Amount (AUD\$m)	Refinancing (AUD\$m)	New Financing (AUD\$m)	Total Allocated Green Financing Instruments (AUD\$m)
Australian Medium Term Note	AU3CB0310100	03 June 2027	AUD	245	245	0	245
Australian Medium Term Note	AU3CB0310118	03 December 2032	AUD	250	250	0	250
Total Green Financing Instruments							495



Impact Reporting

SA Power Networks is committed to supporting South Australia's pathway to net zero emissions by delivering clean energy and unlocking future value for the state of South Australia. Our strategic efforts, sustainability initiatives and reporting are focused on the environmental, social and governance (ESG) issues that we understand are a priority for the majority of stakeholders (including our customers, employees, shareholders, suppliers, partners and government). In our 2024 Sustainability Reporting Suite of documents we describe our vision and approach to sustainability and provide a summary of progress against goals and commitments over the year. Our reporting follows the guidance of the Financial Stability Board's former Taskforce for Climate related Financial Disclosures (TCFD) Framework, the GRI Standards and general industry conventions.

Our role in decarbonising South Australia, may result in some of our activities having an impact on the environment. These impacts arise from our day-to-day operations and maintenance on the grid, including the effects of generation of waste, minor biodiversity effects arising from the maintenance of clear zones around our assets and through construction, maintenance and upgrading of lines, substations and infrastructure. Our operations also generate carbon emissions – primarily a result of greenhouse gas emissions from distribution line losses, energy consumption or leakage of Sulphur hexafluoride (SF₆) from our switch gear. We've established a range of operational practices and work programs to minimise these negative impacts.

Our most significant positive environmental impact is through the connection of increased renewable energy sources to our grid – by connecting residential and large-scale solar and wind generation, with batteries to provide system security services, we facilitate the reduction of energy use from conventional fossil fuel-based energy sources. Our network will enable broader decarbonisation including transport electrification and potentially other end-use applications currently powered by hydrocarbons. By enabling electrification and supporting the decarbonisation of the South Australian grid, SA Power Networks' work significantly reduces South Australia's overall greenhouse gas emissions.

Impact – Selected Metrics

CBI Eligibility Criteria and Eligible Green Assets	Eligible Green Assets (AUD\$m)	Eligibility for Green Financing Instruments	Newly Installed Renewable Energy Capacity in SA during 2024 (MW) ³	Consumer Energy Resources (CER) generated within SA Power Networks' boundary during 2024 (MWh) ⁴	Change in SA Power Networks total GHG emissions (tonnes CO ₂ e)(increase) ^{5,8}	Reduction in SA Power Networks thermal/non renewable generation (MWh) ^{6,8}	Percentage of electric vehicles in SA Power Networks' passenger fleet (%) ^{7,8}
Distribution infrastructure	5,187	100%	222	3,287,773	(125,442)	276.9	29.2

³ Source: AEMO. Excludes consumer energy resources (CER) and battery storage.


















⁴ Source: Open Electricity. Sum of generation from rooftop solar and wind turbines directly connected the distribution network. Excludes battery storage.

⁵ Source: 2024 Sustainability Data and Disclosure Databook. The reporting boundary for Scope 1 & 2 emissions is aligned the operational control boundaries of SA Power Networks' annual National Greenhouse and Energy Reporting scheme (NGERs) report. Scope 3 GHG emissions have been calculated based on the Greenhouse Gas Protocol Scope 3 Guidance, Corporate Value Chain (Scope 3) Accounting and Reporting Standard, and the Technical Guidance for Calculating Scope 3 Emissions. Limited Assurance is provided as part of our NGERs reporting process and calendar year reporting process.

⁶ Source: 2024 Sustainability Data and Disclosure Databook. Calculated as the difference between reference year and prior year power generated by the Kangaroo Island (back-up) power station and mobile generators.

⁷ Source: 2024 Sustainability Data and Disclosure Databook. Passenger vehicles are used by employees to commute between operational sites. Excludes vehicles used in the field. Includes plug-in hybrid vehicles (PHEV).

⁸ Metric assured (limited assurance) as part of the calendar year reporting process. Assurance opinion can be viewed in our 2024 Sustainability Data and Disclosure Databook.

Environmental categories	Alignment with UN SDGs	Impacts/Actions	Spotlight	2024 Sustainability Reporting Suite reference
Renewable Energy	  	<ul style="list-style-type: none"> Enabling more CER connections by implementing flexible exports Community grants for solar, battery installations 	<p>SA Power Networks is implementing Flexible Exports, allowing inverters to adjust export limits based on real-time network conditions. This approach helps prevent network congestion and optimizes energy export. The adoption of dynamic operating envelopes is a significant step towards integrating CER into the grid more effectively.</p>	 Transforming energy DSO case study: Flexible Exports Community Impact Report
Energy Efficiency	 	<ul style="list-style-type: none"> Energy masters pilot program Public lighting conversion 	<p>The Energy Masters pilot lead by SA Power Networks will explore demand flexibility energy, retail offers and electrification in 500 South Australian homes. A rigorous research program will follow to understand consumer behaviour, technical and policy needs for scaling energy-smart homes across Australia.</p> <p>SA Power Networks manages over 90% of South Australia’s public and street lighting. We work with government to proactively convert older technology to energy saving LED lights. Over 70% of the public lights managed by SA Power Networks are now LED.</p>	 Transforming energy DSO case study: Energy Masters  Connecting communities
Clean Transportation	 	<ul style="list-style-type: none"> Enabling the uptake of electric vehicles (EVs) 	<p>SA Power Networks is working with the government and private sector to empower South Australians to transition to electric transport by enabling the connection and operation of charging options that support energy security, affordability, and renewable energy.</p>	 Transforming energy Enabling the EV transition
Climate Change Adaptation		<ul style="list-style-type: none"> Grid resilience Climate scenario analysis 	<p>SA Power Networks delivers an ongoing program of works to maintain reliability and improve resilience, particularly in the context of increasing climate change related perils.</p> <p>We have commenced a phased regime of climate scenario analysis that will assess the resilience of our climate approach, further inform our planning decisions and align our climate-related disclosures with the incoming Australian Accounting Standards Board’s (AASB) and International Sustainability Standards Board’s (ISSB) Sustainability Standards.</p>	 Transforming energy Resilience and reliability
Circular economy adapted products, production technologies and processes	  	<ul style="list-style-type: none"> 90% landfill diversion rate 	<p>End of life electrical insulators and boric acid fuses are problematic waste, with most end up in landfill. Some of the metals and other raw materials contained in these products are becoming less available globally. We worked closely with our suppliers to find a solution to ensure all types of insulators (porcelain, ceramic, glass) and boric acid fuses are recycled and diverted from landfill. The metal is extracted and the remaining components recycled or used for road base.</p>	 Conserving the environment Circular economy

Adaptation and Resilience

SA Power Networks’ distribution network spans South Australia, connecting regional and remote communities. SA Power Networks does not own or operate high voltage lines. Substations and protection equipment connect SA Power Networks’ assets to third parties.

With South Australia’s rapid decarbonisation of the energy sector and the impact of increased severity of climate change induced weather events, we are preparing for higher demands for electricity and higher demands on our infrastructure to operate in hotter, drier and more variable extreme conditions.

Eligible Green Assets	Life Span (years)
Poles including top structures	71
Over head conductors	91
Transformers (substations)	62
Transformers (line)	65
Underground cables	82
SCADA (supervisory control and data acquisition)	48



SA Power Networks' infrastructure and risk management framework

SA Power Networks approaches organisational resilience holistically to enable appropriate management of foreseen and unforeseen risks. Risks are identified, managed, mitigated, and monitored using our comprehensive enterprise Risk Management Framework. Our Risk Management is aligned to AS/NZS ISO 31000:2009, and our Risk Management Directive outlines the principles, processes, reporting, key elements of the Risk Management Framework structure and Risk Appetite Statement, and approach to risk management at the SA Power Networks.

With climate change resulting in the increased frequency and severity of extreme weather events, especially bushfires, storms and heatwaves, network resilience to extreme weather is an important subset of resilience issues for SA Power Networks to consider. The risk of a major bushfire starting from our assets is the most significant risk faced by the business and the community, and our response to extreme weather events plays a critical role in our customer service, contribution to community safety, trust and reputation. Electricity can start bushfires when powerlines are damaged or when they come into contact with foreign objects. While we take steps to minimise these risks, electricity can be a cause of bushfires in South Australia.

Our Strategic Asset Management Plan and Strategy for Network Resilience to Extreme Weather outline the program of works and initiatives to address these challenges over coming years.

Our first stage of Climate Scenario Analysis (CSA) was qualitative and focused on better understanding potential climate-related risks and opportunities under varying future climate conditions. The CSA assessed three distinct climate scenarios based on Representative Concentration Pathways (RCPs):

<p>RCP 1.9: A low-emissions pathway aimed at limiting global warming to 1.5°C.</p>	1.5°C
<p>RCP 2.6: A scenario likely to keep global temperature rise below 2°C by 2100.</p>	2°C
<p>RCP 4.5: A moderate-emissions trajectory reflecting delayed or limited mitigation efforts, more likely than not to result in global temperature rise between 2°C and 3°C, by 2100.</p>	2–3°C

This analysis also aligns with the Australian Energy Market Operator's (AEMO) Integrated System Plan (ISP) scenarios, and were analysed over three key time horizons – 2030, 2040, and 2085 – to provide insights into potential future conditions and enable long-term planning. The analysis provided risk likelihood scores for key sites within our network under each scenario and timeframe. These scores equip SA Power Networks with a foundation to prioritise actions and support network resilience as part of our broader business strategy. Over coming months and years we will undertake further analysis to review, refine, enhance and quantify the impacts and implications of the scenarios and to integrate the outputs with our strategic planning and decision-making work programs.

Building climate change resilience



Climate change peril

- Bushfire
- Storms (extreme winds and lightning)
- Heatwave
- Floods

Risks

- Network resilience
- Bushfire resilience
- Community resilience
- Worker and customer safety and wellbeing

SUPPLY INTERRUPTION

Impact on customers and communities

- Community safety
- Care of the vulnerable
- Essential services
- Economic loss

Action

- Network reliability and resilience programs
- Bushfire risk management program
- Emergency response
- Community resilience initiatives
- Worker and customer safety and wellbeing programs



Collaboration and communication + Innovation
+ Risk management + Governance

SA Power Networks' infrastructure and critical interdependencies

Critical interdependencies

The effects of supply disruption or interruption on dependent electricity users or populations

Potential impacts from distribution infrastructure

- High penetration of rooftop solar in South Australia is challenging our network's hosting capacity, with the most immediate consequence being voltage levels on the network rising above prescribed standards during times of high solar output and low demand
- Reverse power flows place pressure on the capacity of the network and create challenges with maintaining stability and security of supply
- Increased demand on the network due to electrification

Risk mitigation activities

- SA Power Networks is enabling more renewable connections to the grid with innovative technology such as flexible exports and influencing customer demand needs
- SA Power Networks connects and hosts residential and large-scale solar and wind generation owned and operated by other entities, with batteries to provide system security services
- Minimum service standards are agreed with regulators, monitored and reported
- Collaboration with government to mandate that all new solar installations in SA must have the capability for remote disconnection and reconnection
- Service performance is measured and monitored including grid interruptions and grid availability and published annually

Exacerbation of Wildfires (Bushfires)

- SA Power Networks' infrastructure can cause and is exposed to bushfire risk potentially impacting assets and disrupting supply

- SA Power Networks uses a comprehensive system of bushfire mitigation strategies including asset inspection and maintenance activities, fire start resistant construction techniques, vegetation clearance, fire start analysis, weather and fire risk monitoring and disconnecting electricity supply, if necessary, on high fire danger days

Relationships of the asset/project to nearby flood zones

- SA Power Networks' assets including the management of our assets are exposed to risks from river and coastal flooding, risking disruption and supply issues

- SA Power Networks assesses asset locations for flood risk
- SA Power Networks actively manages our adaptation and resilience response to local hazards including flood risks

Reduction in pollinating insects and birds

- SA Power Networks' assets have an impact on pollinating insects, birds and bats

- SA Power Networks has environmental policies and service specifications which specify the requirements for managing effects on the environment and environmental compliance relating to the construction, maintenance and upgrade of infrastructure

Reduction in biodiversity or High Conservation Value habitat

- SA Power Networks' assets neighbour and cross conservation habitats

- SA Power Networks undertakes appropriate environmental (including flora, fauna and ecosystem) impact assessments
- SA Power Networks has commenced work to understand the requirements of The Taskforce on Nature-related Financial Disclosures (TNFD) and prepare a roadmap to work towards adherence to the principles and disclosure requirements
- SA Power Networks is mitigating the risk of harm to native fauna when they interact with our infrastructure by installing animal guards to protect fauna from landing on powerline assets

Critical interdependencies

Damage or reduction in value of neighbouring property due to boundary structures at risk of falling during storm events

Appropriation of land or economic assets from nearby vulnerable groups

Fire and other practices that affect air quality

Potential impacts from distribution infrastructure

- SA Power Networks' assets neighbour and cross third-party landowner properties

- SA Power Networks' operations include assets that use small amounts of sulphur hexafluoride (SF₆), an insulating gas used in some equipment.
- SA Power Networks operates backup generators on Kangaroo Island, to ensure security of supply on the island, that emit some air pollutants when running

Risk mitigation activities

- SA Power Networks recognises the potential impact our work can have for landowners. We work extensively with landowners, communities and indigenous groups to build and maintain positive relationships that benefit all parties

- SA Power Networks actively manages fire risk from our assets and maintains minimum vegetation clearance distances
- SA Power Networks actively manages and monitors its use of SF₆. We have begun using SF₆-free assets to replace traditional equipment that uses SF₆
- SA Power Networks actively monitors air pollutants and greenhouse gas emissions arising from operations and has net zero emissions reduction targets



SA Power Networks’ key physical climate hazards vulnerabilities and mitigations

Climate Hazard	Risks	Mitigation & Control activities
Wildfire (Bushfire)	<ul style="list-style-type: none"> SA Power Networks’ assets starting bushfires Bushfires damaging SA Power Networks’ assets 	<ul style="list-style-type: none"> Network resilience strategy Network wide vegetation management Network inspections and maintenance using long range drones, light aircrafts and on ground teams to prioritise and manage vegetation encroachment Real-time monitoring of fire danger weather and risks for operations Regular maintenance of high-risk assets Emergency response and fault restoration management Work with other emergency management and first responder agencies
Increased severe weather (heatwaves, wind & lightning)	<ul style="list-style-type: none"> Increased bushfire risk Strong winds damaging infrastructure Lightning strikes to infrastructure 	<ul style="list-style-type: none"> Comprehensive asset management system, including asset inspection, maintenance, monitoring and replacement SA Power Networks is exploring non-network solutions such as flexible load connections and demand-side management strategies to alleviate stress on the network during peak periods Implementing programs to reduce consumption during peak periods Diversifying supply by incorporating storage solutions Worker health and safety policies and procedures
Temperature rise	<ul style="list-style-type: none"> Additional stress on aging assets Increased demand on electricity usage Personnel working in fatiguing conditions 	<ul style="list-style-type: none"> Comprehensive asset management system, including asset inspection, maintenance, monitoring and replacement SA Power Networks is exploring non-network solutions such as flexible load connections and demand-side management strategies to alleviate stress on the network during peak periods Implementing programs to reduce consumption during peak periods Diversifying supply by incorporating storage solutions Worker health and safety policies and procedures



Further Information

For further information on SA Power Networks' approach to sustainability, information can be found:

SA Power Networks sustainability webpage

<https://www.sapowernetworks.com.au/about-us/sustainability/>

SA Power Networks Sustainability Report

<https://www.sapowernetworks.com.au/public/download.jsp?id=323593>

Additional contact

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<https://www.climatebonds.net/files/files/climate-bonds-standard-v4-1-202403.pdf>
5. *ICMA Harmonised Framework for Impact Reporting June 2022 Handbook*
https://www.icmagroup.org/assets/documents/Sustainable-finance/2022-updates/Harmonised-Framework-for-Impact-Reporting-Green-Bonds_June-2022-280622.pdf
6. *ICMA Green, Social and Sustainability Bonds: A High-Level Mapping to the Sustainable Development Goals (June 2023)*
<https://www.icmagroup.org/assets/documents/Sustainable-finance/2023-updates/Green-Social-and-Sustainability-Bonds-A-High-Level-Mapping-to-the-Sustainable-Development-Goals-June-2023-220623.pdf>





Climate Bonds Standard Verification Report



Document Title: SA Power Networks Programmatic Verification Protocol Opinion

Prepared By: DNV Business Assurance Australia Pty Ltd

Location: Sydney, Australia

Date: 04/09/2025

Project Number: 10579481

Identification: DNV-2025-ASR-10579481

Disclaimer

Our assessment relies on the premise that the data and information provided by the client to us as part of our review procedures are provided in good faith. Because of the selected nature (sampling) and other inherent limitation of both procedures and systems of internal control, there remains the unavoidable risk that errors or irregularities, possibly significant, may not be detected. Limited depth of evidence gathering including inquiry and analytical procedures and limited sampling at lower levels in the organization were applied as per scope of work. DNV expressly disclaims any liability or co-responsibility for any decision a person or an entity may make based on this Statement.

Statement of Competence and Independence

DNV applies its own management standards and compliance policies for quality control, in accordance with ISO/IEC 17029:2019 - Conformity Assessment – General principles and requirements for validation and verification bodies, and accordingly maintains a comprehensive system of quality control, including documented policies and procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements. We have complied with the DNV Code of Conduct during the assessment and maintain independence where required by relevant ethical requirements.

DNV VERIFICATION OPINION

Scope and Objectives

SA Power Networks (“the Issuer”) is South Australia’s sole electricity distributor, delivering power to homes and businesses across the state. While not a generator or retailer, its \$5 billion network assets including 650,000 poles, 90,000 km of lines and cables, 415 substations, 77,000 transformers, and 230,000 streetlights. SA Power Networks enables customer access to renewable energy solutions. As the state transitions to a distributed and decarbonised energy system, SA Power Networks plays a vital role in supporting this shift

SA Power Networks has commissioned DNV Business Assurance Australia Pty Ltd (“DNV”) to carry out the verification of the SA Power Networks Green Bonds Program. This report contains the findings from the verification and a verification statement regarding compliance with the Electrical Grids and Storage criteria and the Climate Bonds Standard version 4.1, (“Climate Bonds Standard” or “CBS”).

- The Framework is in alignment with the stated Standards and Principles (collectively the “Principles & Standards”):
- Climate Bonds Standard Version 4.2 June 2024 (“CBS”) issued by the Climate Bond Initiative (“CBI”)
- Green Loan Principles 2025 (“GLP”) issued by the Loan Markets Association (“LMA”), Asia-Pacific Loan Markets Association (“APLMA”) and Loan Syndications & Tradition Association (“LSTA”)
- Green Bond Principles 2025 (“GBP”) issued by the International Capital Markets Association (“ICMA”)

DNV notes the Eligible Expenditures to meet the eligibility criteria set forth by the CBS, as listed below:

- Electrical Grids and Storage sector criteria - Transmission and Distribution

DNV notes the Eligible Expenditures to meet the eligibility criteria set forth by the GLP/GBP, as listed below:

- Renewable Energy
- Energy Efficiency
- Clean Transportation
- Climate Change Adaptation
- Environmentally sustainable management of living natural resources and land use
- Circular economy adapted products, production technologies and processes

SA Power Networks Green Financing Instruments that have been issued and are outstanding at the time of verification include:

	ASX Code/CUSIP/ISIN	Maturity Date	Total Allocated Green Financing Instrument (AUDm) as of 31 December 2024
Domestic Bond	AU3CB0310100	3 June 2027	245.0
Domestic Bond	AU3CB0310118	3 December 2032	250.0
Total Green Financing Instruments			495.0

Responsibilities of the Management of SA Power Networks and DNV

The management of SA Power Networks has provided the information and data used by DNV during the delivery of this review. Our statement represents an independent opinion and is intended to inform SA Power Networks' management and other interested stakeholders in the Framework as to whether the Framework is aligned with the GBP and GLP. In our work we have relied on the information and the facts presented to us by SA Power Networks. DNV is not responsible for any aspect of the nominated assets referred to in this opinion and cannot be held liable if estimates, findings, opinions, or conclusions are incorrect based on inaccurate or misleading information provided by SA Power Networks or its representatives. Thus, DNV shall not be held liable if any of the information or data provided by SA Power Networks' management and used as a basis for this assessment were not correct or complete.

Basis of DNV's Opinion

DNV has conducted the verification against the CBS V4.1 and associated Sector Technical Criteria through the creation and execution of a verification protocol addressing each requirement of the CBS V4.1 and the relevant technical criteria. The detail of areas covered in the DNV verification is summarised in Schedule 2 below.

DNV has conducted the programmatic verification against the GBP and relevant project criteria in parallel to the CBS V4.1. A summary of compliance with the GBP is included in Schedule 2 below.

DNV has conducted alignment with United Nations Sustainable Development Goals in Schedule 3 below.

Work Undertaken

Our work constituted a high-level review of the available information, based on the understanding that this information was provided to us by SA Power Networks in good faith. We have not performed an audit or other tests to check the veracity of the information provided to us. The work undertaken to form our opinion included:

- Creation and execution of a CBS Protocol, adapted to include the relevant Sector Technical Criteria for the Bonds nominated projects and assets, as described above and in Schedule 2 to this Opinion;
- Verification of compliance with the GBP as described above and in Schedule 2 to this Opinion;
- Assessment of documentary evidence provided by SA Power Networks on the Bonds and supplemented by a high-level desktop research,
- Documentation of findings against each element of the criteria. Our opinion as detailed below is a summary of these findings.



Findings and DNV's Opinion

DNV has performed the Pre and Post Issuance Verification of the Climate Bonds. It is DNV's responsibility to provide an independent verification statement on the compliance of the Bonds with the **Climate Bonds Standard V4.1** dated 2024.

DNV conducted the verification in accordance with the Principles & Standards and with International Standard on Assurance Engagements *3000 Assurance Engagements other than Audits or Reviews of Historical Information*. The verification included i) checking whether the provisions of the Principles & Standards were consistently and appropriately applied and ii) the collection of evidence supporting the verification.

DNV's verification approach draws on an understanding of the risks associated with conforming with the Standards and the controls in place to mitigate these. DNV planned and performed the verification by obtaining evidence and other information and explanations that DNV considers necessary to give limited assurance that the Framework, and other associated documentation, meet the requirements of the Standards.

Based on the limited assurance procedures conducted, nothing has come to our attention that causes us to believe that the Climate Bonds are not, in all material respects, in accordance with the Pre and Post Issuance requirements of the CBS and Electrical Grids & Storage Sector Criteria.

For DNV Business Assurance Australia Pty. Ltd.

Sydney, Australia, 4 September 2025

A handwritten signature in dark ink, appearing to read "Thomas Leonard".

Thomas Leonard
Quality Reviewer

A handwritten signature in dark ink, appearing to read "Deepthi K Sugumar".

Deepthi K Sugumar
Lead Verifier

A handwritten signature in dark ink, appearing to read "DMC".

David McCann
Verifier

About DNV

Driven by our purpose of safeguarding life, property and the environment, DNV enables organisations to advance the safety and sustainability of their business. Combining leading technical and operational expertise, risk methodology and in-depth industry knowledge, we empower our customers' decisions and actions with trust and confidence. We continuously invest in research and collaborative innovation to provide customers and society with operational and technological foresight. With our origins stretching back



to 1864, our reach today is global. Operating in more than 100 countries, our 16,000 professionals are dedicated to helping customers make the world safer, smarter and greener.

SCHEDULE 1: DESCRIPTION OF NOMINATED ASSETS

GBP Eligible Green Project Categories	CBS Eligible Criteria and Description	Location	Asset Book Value (AUDm) as of 31 December 2024	Total Allocated Green Financing Instruments (AUDm) as of 31 December 2024
<ul style="list-style-type: none"> • Renewable Energy • Energy Efficiency • Clean Transportation • Climate Change Adaptation • Environmentally sustainable management of living natural resources and land use • Circular economy adapted products, production technologies and processes 	Electrical Grids & Storage - Transmission and Distribution Infrastructure	Australia	5,187	495



SCHEDULE 2: CLIMATE BONDS STANDARD VERIFICATION CRITERIA

Summary criteria for assertions of compliance with the Climate Bonds Standard V4.1

A full verification is provided in the associated Verification protocol.

The criteria against which SA Power Networks and its nominated projects & assets have been reviewed prior to inclusion in the bond are grouped under the requirements as detailed within the CBS including:

Part A: Pre-Issuance Requirements

Area	Requirement
Use of Proceeds	Nominated projects & assets which are proposed to be associated with the Bonds and which have been assessed as eligible activities under the CBS related Sector Criteria.
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the Nominated projects & assets.
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Borrower.
Reporting Prior to Issuance	The Issuer shall prepare a Green Financing Framework and make it available prior to issuance or at the time of issuance to lenders.
Reporting	Reporting on use of proceeds and nominated projects & assets.



Part B: Post-Issuance Requirements

Use of Proceeds	Nominated Projects & Assets which are proposed to be associated with the Bonds and which have been assessed as likely to be Eligible Projects & Assets
Project Selection	Establish, document and maintain a decision-making process which it uses to determine the eligibility of the nominated projects & assets.
Management of Proceeds	The systems, policies and processes to be used for management of the Net Proceeds shall be documented by the Issuer.
Reporting	Reporting on use of proceeds and nominated projects & assets.

Part C: Eligible Projects and Physical Assets

Nominated projects and assets include financing or refinancing of or investments in equipment and systems which enable the mitigation of greenhouse gases, as detailed in Schedule 1.

Eligible Green Project Categories	GBP Eligible Criteria and Description	CBI Criteria
<p>Construction, upgrade, and operation of distribution system infrastructure, which is used to transport, store or support electrical grids assets and projects which satisfy the following criteria:</p> <ul style="list-style-type: none"> • The average System grid emissions factor in which the infrastructure is located below the threshold value of 100gCO₂e/kWh measured on a PCF basis, over a rolling five-year average period, or • More than 67% of newly connected generation capacity in the System in which the infrastructure is located below the generation threshold value of 100gCO₂e/kWh measured on a PCF basis, over a rolling five-year average period 	<ul style="list-style-type: none"> • Renewable Energy • Energy Efficiency • Clean Transportation • Climate Change Adaptation • Environmentally sustainable management of living natural resources and land use • Circular economy adapted products, production technologies and processes 	<p>Electrical Grids and Storage – Transmission and Distribution Infrastructure</p>

Part D: Certification under the Climate Bonds Standard

Area	Requirement
Pre-Issuance Certification	The Issuer of a Climate Bonds Standard Certification must satisfy the Pre-Issuance Certification requirements including the completion of all forms, Pre-Issuance Verification by an approved verifier and provision of relevant information.
Post-Issuance Certification	The Borrower of a Climate Bonds Standard Certification must satisfy the Post-Issuance Certification requirements including the completion of all forms, Post-Issuance Verification by an approved verifier and provision of relevant information.
Maintaining Certification	The Borrower shall provide annual reporting to the CBI and comply with non-conformance correction as required.



SCHEDULE 3: ALIGNMENT WITH UNITED NATIONS SUSTAINABLE DEVELOPMENT GOALS

Alignment of the Use of Proceeds against the United Nations Sustainable Development Goals (UN SDG)

In addition to the Programmatic verification, DNV has reviewed the Use of Proceeds and nominated assets associated with the SA Power Networks Green Bonds for alignment with the UN SDGs in the following table.

Use of Proceeds	UN SDG	UN SDG Target	
Energy – Transmission and Distribution Infrastructure	7. Affordable and Clean Energy	7.1	By 2030, ensure universal access to affordable, reliable and modern energy service.
	9. Industry, Innovation and Infrastructure	9.4	By 2030, upgrade infrastructure and retrofit industries to make them sustainable, with increased resource-use efficiency and greater adoption of clean and environmentally sound technologies and industrial processes, with all countries taking action in accordance with their respective capabilities
	13. Climate Action	13.1	Strengthen resilience and adaptive capacity to climate-related hazards and natural disasters in all countries